

Kentucky Cities Income Tax Information and Withholding Formula

► Effective Pay Period 4, 2008 ◀

1. Subtract the nontaxable biweekly Federal Employees Health Benefits payment from the gross biweekly wages.
2. Multiply the adjusted gross biweekly wages by ►27◀ to obtain the annual wages.
3. Determine the annual Kentucky city income tax withholding by applying the following guideline to the annual wages.

Compute the City Income Tax Withholding For:

By Multiplying the Annual Wages By:

	State/City Codes	Resident Percentage	Nonresident Percentage	City Tax Status (Duty Station=DS Residence=R)
Bowling Green	21/0350	1.85	1.85	DS
Covington	21/0800	2.50 ¹	2.50 ¹	DS
Florence	21/1150	2.00 ²	2.00 ²	DS
Frankfort	21/1220	1.75	1.75	DS, R
Lexington–Fayette	21/1980	2.25	2.25	DS
Louisville	21/2090	2.20	1.45	DS
Owensboro	21/2490	1.33	1.33	DS
Paducah (<i>voluntary</i>)	21/2520	2.00	2.00	
Richmond	21/2750	2.00	2.00	DS

¹ Maximum withholding wage base of ►\$102,000 (maximum annual withholding of \$2,550).◀

² Maximum withholding wage base of ►\$102,000 (maximum annual withholding of \$2,040).◀

Note: City tax is mandatory unless otherwise indicated.

4. Divide the annual Kentucky city income tax withholding by ►27◀ to obtain the biweekly Kentucky city income tax withholding.